



The Daily Dish

# Port Strike Threat

DOUGLAS HOLTZ-EAKIN | SEPTEMBER 30, 2024

The 47,000 members of the International Longshoremen’s Association (ILA) are [threatening to strike](#) as early as 12:01 a.m. Tuesday. If there is a strike, the union has pledged to service military and cruise ships, and shipments of oil and gas are handled by dedicated facilities unaffected by the strike. Nevertheless, a strike has been estimated to cost the U.S. economy \$1 billion daily, with the timing chosen deliberately to disrupt shipments for the holiday season.

According to [Fox News](#): “The White House has signaled on several occasions that President Biden doesn’t plan to invoke a labor law known as the Taft-Hartley Act that would allow him to intervene in a port strike to impose a ‘cooling off’ period for negotiations while workers are back on the job.” That position is consistent with the president’s self-declared status as the most pro-union administration in history. It is made easier by exempting the military shipments, thus taking a national security threat off the table.

On the other hand, when faced with a railway strike in 2022, Biden [avoided a stoppage](#) by signing a law imposing a contract on the workers. At the time, inflation was running at 6.5 percent year-over-year and the president cited the importance of avoiding supply-chain disruptions. While tremendous progress has been made on inflation, the president may seek to avoid anything that disrupts the path to a soft landing.

And then there is the political setting. The strike would take place on the same day as the vice-presidential candidates’ debate. Any disruption and inflation pressures would occur just prior to the election. Since Biden is no longer on the ticket, how will these factors impact the president’s thinking?

The potential strike is just another reminder that something always happens. Sometimes it is beneficial supply shocks such as productivity growth and rapid immigration, which were enormously beneficial in 2023. But the news is not always good, and policymakers will have to decide how to handle a potential port strike.